Supreme Court, U.S.
FILED
JUL 29 2004
OFFICE OF THE CLERK

No. 03-1719

IN THE

Supreme Court of the United States

MULTI-TECH SYSTEMS, INC.,
Petitioner,

v.

NET2PHONE, INC.,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

RESPONDENT'S BRIEF IN OPPOSITION

RICHARD D. KELLY *
MICHAEL R. CASEY
OBLON, SPIVAK, MCCLELLAND,
MAIER & NEUSTADT, P.C.
1940 Duke Street
Alexandria, Virginia 22314
(703) 413-3000

* Counsel of Record

Counsel for Respondent

July 29, 2004

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20001

QUESTION PRESENTED

1. Whether the court of appeals properly applied existing principles of claim construction law to the patents-in-suit.

CORPORATE DISCLOSURE STATEMENT

Pursuant to Supreme Court Rule 29.6, Net2Phone, Inc., a publicly held corporation, has no parent corporation. IDT Corporation and Liberty Media are publicly held companies owning 10% or more of Net2Phone, Inc.'s stock through their interests in NTOP Holdings, LLC.

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RESPONDENT'S BRIEF IN OPPOSITION

Net2Phone, Inc. respectfully submits this brief in opposition to the petition for a writ of certiorari filed by Multi-Tech Systems, Inc. "The only issues on appeal relate to claim construction, as lack of infringement is conceded if . . . claim construction [is affirmed]." Pet. App. 10a. The decisions below are consistent with existing precedent and do not warrant further review by this Court. Accordingly, the petition should be denied.

COUNTERSTATEMENT OF THE CASE

Petitioner originally asserted four patents against Respondent Net2Phone (and five against co-Respondent, Microsoft Corporation). The asserted patent claims contain many closely related claim elements. During the claim construction process, Petitioner sought a single

interpretation for the closely related claim elements in the asserted patents, and the district court, as Petitioner requested, rendered a single interpretation of those elements—albeit a narrower interpretation than Petitioner requested.

Based on that interpretation, Petitioner has conceded non-infringement of two of its patents and now, as to Respondent Net2Phone, only seeks review of the judgment on the remaining two patents-in-suit, i.e., the '649 and '627 patents. Those patents share a common specification that the Federal Circuit found "leads to the 'inescapable conclusion' that the communications between the local and remote sites of the claimed inventions must occur directly over a telephone line." Pet. App. 16a. Given that the Federal Circuit found such an "inescapable conclusion" from the common specification of the patents and before it looked at any prosecution history of the patents-in-suit, the first two of Petitioner's Questions Presented relating to prosecution history estoppel are inappropriate for Supreme Court review.

While the Federal Circuit did look to the file history of the '627 patent to confirm its interpretation of the claims based on the specification, it expressly addressed that its analysis was just confirmatory (as opposed to binding) and being performed in light of and consistent with *Georgia-Pacific Corp. v. United States Gypsum Co., et al.*, 195 F.3d 1322 (Fed. Cir. 1999) and other existing case law. Thus, the Federal Circuit neither departed from nor disregarded the ruling of *Georgia-Pacific*.

Furthermore, reliance on related applications for claim interpretation is consistent with existing precedent—a fact confirmed in another recent Federal Circuit decision that expressly referenced this case and stated that the decision on appeal was not a departure from existing precedent.

> [T]his court' s precedent takes a narrow view on when a related patent or its prosecution history is available to construe the claims of a patent at issue and draws a

> distinct line between patents that have a familial relationship and those that do not. This dividing line was left undisturbed by our most recent decision on the issue, *Microsoft Corp. v. Multi-Tech Systems, Inc.*

Goldenberg v. Cytogen, Inc., No. 03-1409, 2004 WL 1393816 at *8 (Fed. Cir. June 23, 2004) (citations omitted).

Unsatisfied with the Federal Circuit' s decision, Petitioner sought panel and *en banc* rehearing in the court of appeals, and both requests were denied. Pet. App. 117a-120a.

REASONS FOR DENYING THE PETITION

I. A SINGLE INTERPRETATION OF THE COMMON CLAIM ELEMENTS IS THE APPROPRIATE INTERPRETATION

A. Petitioner Requested and Received a Single Claim Interpretation from the District Court

At the beginning of the claim construction process, Petitioner took the position that claim elements in the '649 and '627 patents have consistent meanings. Petitioner often collectively referred to the "transmitting," "receiving," and "sending" limitations in those patents and initially provided the district court with a single interpretation of those elements.

Now, having received the district court's claim construction, Petitioner wishes to raise a perceived distinction between those patents given that the prosecution history of the '649 patent did not contain some of Petitioner's arguments present in the file history of the later filed '627 patent. However, such separate constructions for the two patents were not before the district court, and they should not be addressed for the first time on appeal.

B. The Interpretation of the Claims Is Controlled by the Claims and the Common Specification, Not the Prosecution History

The central focus of the case below, and the resulting appeal, is how to interpret "the claim language, the specification, and the prosecution history" (Pet. App. 21a) to determine the meaning of the claims at issue. The Federal Circuit began its analysis with the claim language itself. Pet. App. 13a.

Nonetheless, even Petitioner has acknowledged that one must look beyond just the words of the claims to understand the final scope of the claims. For example, Petitioner argues that "The '649 patent claims a method of simultaneously transmitting packetized and multiplexed voice and data through a modem and onto a telephone line." Pet. 3. However, Petitioner admits that the actual language of the '649 patent does not explicitly recite a modem or telephone line at all. Pet. 3.

Thus, the Federal Circuit then turned to an analysis of how the specification may provide insight into the true scope of the claims. Specifically, it found that "the claims must be interpreted in light of the specification, which is identical for all three patents and which repeatedly and consistently describes the local and remote systems of the claimed inventions as communicating directly over a telephone line." Pet. App. 14a-15a. In support of its finding on "repeatedly and consistently," the Federal Circuit identified no less than five portions of Petitioner's common specification that characterized Petitioner's invention as being directed to communication directly between two devices. Perhaps most telling is the last of those citations which references that the "single analog telephone line" of the invention is usable with "modems, facsimile machines or standard equipment." Pet. App. 15a. This allows any layperson, let alone one of

ordinary skill in the art, to understand that there can be no intermediate connections between the two communicating devices.

Accordingly, based on the common specification, the Federal Circuit, like it had in *SciMed Life Systems, Inc. v. Advanced Cardiovascular Systems, Inc.*, 242 F.3d 1337 (Fed. Cir. 2001) and *Alloc, Inc. v. ITC*, 342 F.3d 1361 (Fed. Cir. 2003), came to the "'inescapable conclusion' that the communications between the local and remote sites of the claimed inventions must occur directly over a telephone line." Pet. App. 16a. As a result, the Federal Circuit "construe[d] the 'sending,' 'transmitting,' and 'receiving' limitations of the '627, '649, and '532 patents to require that the claimed data packets travel directly from a local site to a remote site (and vice versa) over a telephone line and not a packet-switched network" (Pet. App. 16a-17a)—and it did so without ever having to rely on the statements in the file history of the '627 patent.

C. The Interpretation of the Claims Is Confirmed by Petitioner's Arguments During Prosecution

After already having reached its "inescapable conclusion" (Pet. App. 16a), the Federal Circuit then examined the '627 patent's prosecution history and found that it "confirms that Multi-Tech viewed its inventions as being limited to communications over a telephone line." Pet. App. 17a. This confirmation should not be confused with a reliance on the statements or having given the later prosecution history binding effect.

Petitioner argues that the holding in *Georgia-Pacific* precluded applying statements made during the prosecution of the '627 patent to the claims of the '649 patent which were allowed before the statements were ever made in the '627 patent. Addressing those arguments head-on (Pet. App. 20a), the majority panel explained the distinction between binding

or estopping a patentee based on its earlier statements and discussing the relevancy of admissions by a party about the scope of its claims. Since before *Georgia-Pacific*, the Federal Circuit has found that statements in related applications can be "relevant," and it was this relevance the majority panel cited, not the binding nature of the statements. *See Jonsson v. The Stanley Works*, 903 F.2d 812, 818 (Fed. Cir. 1990); *see* also *Laitram Corp. v. Morehouse Industries, Inc.*, 143 F.3d 1456, 1460 n.2 (Fed. Cir. 1998) ("The fact that an examiner placed no reliance on an applicant's statement distinguishing prior art does not mean that the statement is inconsequential for purposes of claim construction."); and *E.I. du Pont de Nemours & Co. v. Phillips Petroleum Co.*, 849 F.2d 1430, 1438 (Fed. Cir. 1988) ("Regardless of the examiner's motives, arguments made during prosecution shed light on what the applicant meant by its various terms."). As a result, contrary to Petitioner's arguments, the majority did not disregard or effectively overrule *Georgia-Pacific*; it distinguished the differences in how statements are used under various circumstances and applied those rules to the facts in a manner consistent with precedent.

Contrary to Petitioner's arguments and the comments of the dissent, the interpretation of the majority is confirmed by Petitioner' s unequivocal waiver. The requirement of having a direct connection was made in the prosecution history of the '627 patent not once, but at least twice, and is supported throughout the common specification. In the first instance, Petitioner stated:

> Applicants disclose a communications system which operates over a standard telephone line. Such a telephone line is commonly referred to in the art as a "plain old telephone service" (POTS) line and establishes a *point-to-point* connection between telephone equipment on each end of the line. Applicants' invention [converts analog speech signals . . . into packets and] transmits the packets across a

> POTS line to a remote site [where the process is performed in reverse].

Pet. App. 17a. Emphasis added. Thus, packets are required to flow across a point-to-point link between the two voice-based communication ends—not just between two devices in general. In the second instance, Petitioner stated "Applicants' voice packets do not circulate around a LAN but proceed *directly* from the communications system through the [telephone] line to a receiving communications system at the other end of the line." Pet. App. 18a. Emphasis added. Thus, the characterization of the system was one of "point-to-point" connection with packets proceeding "directly" to a remote location. Nothing could be more unequivocal as to whether there are intermediate stopping points, as in the Internet.

Petitioner's remarks about alternate interpretations of "point-to-point" are also misplaced. Petitioner relied on a dictionary definition and a patent, but they were not before the district court. In addition to their not being before the district court, the definition and statements therein have never been adopted by Respondent Net2Phone. The referenced patent is not even owned by any of the parties-in-suit and therefore sheds no light on the question of what "point-to-point" means. The majority properly did not rely on those definitions, and the dissent should have ignored them as well because there is simply no evidence in the record that shows that those definitions are consistent with the understanding of one of ordinary skill in the art.

Moreover, the Microsoft Computer Dictionary definition actually supports Respondent's position that "point-to-point" is limited in the fashion described by Respondent. First, the definition shows that "point-to-point" is not used to describe a connection between two remote ends having the same capabilities. The point-to-point connection only goes between "a computer and the Internet," and does not actually

reach the remote site where the voice process is performed in reverse. The Internet therefore acts as an intermediary before a final link is established to the remote end of the voice communication, and no "direct" connection is established there between.

II. THE FEDERAL CIRCUIT'S DECISION IS CONSISTENT WITH SUBSEQUENT CASE LAW

Petitioner has alleged that the decision of the majority is in conflict with the Federal Circuit's recent decision in *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898 (Fed. Cir. 2004) as well as *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313 (Fed. Cir. 2003). Pet. 21 and 23. Petitioner's claims (and specification) are distinguishable from the claims (and specifications) of both of those cases.

In *Liebel*, the court looked to the existence of dependent claims having a disputed claim term and independent claims not having that same disputed claim term. By applying the doctrine of claim differentiation, the court found strong support for the patentee's position that its independent claims were not as limited as argued by the alleged infringer—because it would have been redundant for the independent claim to have been limited to a scope of protection already provided by a dependent claim. However, under the facts of the present case, the evidence is to the contrary. No dependent claim recites any further details about the sending, transmitting and receiving limitations that would cause one of ordinary skill in the art to believe that the independent claim has been misconstrued. In fact, the Federal Circuit expressly noted that "Nowhere [in the specification] does it even suggest the use of a packet switched network." Pet. App. 16a.

Similarly, in *Amgen*, the court found that the presence of the disputed claim term in one claim and the absence of that

same term in another claim precluded a narrow interpretation of the broader claim. As such, *Liebel* and *Amgen* are distinguishing since in no claim (and in no other part of its specification) does Petitioner recite further pertinent specifics of the sending, transmitting and receiving limitations.

CONCLUSION

The petition for writ of certiorari should be denied.

Respectfully submitted,

RICHARD D. KELLY *
MICHAEL R. CASEY
OBLON, SPIVAK, MCCLELLAND,
MAIER & NEUSTADT, P.C.
1940 Duke Street
Alexandria, Virginia 22314
(703) 413-3000

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